

DOCKET FILE COPY ORIGINAL

RECEIVED

JAN 3 1994

FCC - MAIL ROOM

Mr. William Caton
Acting Secretary
Federal Communications Commission
1919 M Street, N.W. - Room 222
Washington, D.C. 20554

December 29, 1993

Re: **Partial Opposition to Petitions For Reconsideration of
InterDigital Communication Corporation GEN Docket 90-314**

Dear Mr. Caton:

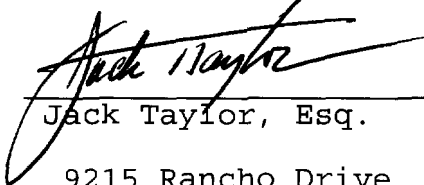
Transmitted herewith are an original and eleven copies of
the Opposition Comments of InterDigital Communications
Corporation in the above referenced proceeding.

If you have any questions with regard to this matter, please
do not hesitate to contact me.

Respectfully submitted,

InterDigital Comm. Corp.

By:


Jack Taylor, Esq.

9215 Rancho Drive
Elk Grove, CA 95624
916/685-6240

Its Attorney

No. of Copies rec'd 08-11
List A B C D E

DOCKET FILE COPY ORIGINAL

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

RECEIVED

JAN 3 1994

FCC - MAIL ROOM

In the Matter of)
)
Amendment of the Commission's)
Rules to Establish New Personal)
Communications Services)

GEN Docket 90-314
RM-7140

To: The Commission

OPPOSITION TO PETITIONS FOR RECONSIDERATION

InterDigital Communications Corporation ("InterDigital"), pursuant to Section 1.429 (f) of the Commission's rules, 47 C.F.R. 1.429 (f), submits its Partial Opposition to Petitions for Reconsideration of rules adopted in the above captioned proceeding.¹

I. INTRODUCTION

InterDigital is a major supplier of wireless communications systems for local loop operations in rural areas. It is the major supplier to rural telephone companies ("telcos") of state-of-the-art, digital, spectral efficient radio systems used to provide high quality radio loops primarily in rural areas.

1. Second Report and Order, Gen Docket No. 90-314, 58 Fed. Reg. 59,174 (1993).

Telcos are permitted to provide this service under current Commission rules governing Basic Exchange Telecommunications Radio Service (BETRS),²

InterDigital provides these comments to clarify a misunderstanding in the above proceeding -- the restriction on using PCS spectrum for the provision of fixed services like BETRS.

II DISCUSSION

Several of the petitioners for reconsideration discussed the need for Commission recognition of the unique characteristics of PCS, especially the need for higher power, in the rural environment. See, e.g. , Petitions of Motorola, Inc., Northern Telecom, Inc., and Telocator. However, equally unique to the rural environment is the provision of basic telephone service using radio loops. Several companies discussed the use of PCS for the provision of wireless local loop service in rural areas. See Petition's of Southwestern Bell Corporation and Chickasaw Telephone Company.

The use of PCS for wireless local loop service is complicated by the definition of fixed use of PCS spectrum contained in the new rule section 99.5. In a BETRS application of wireless local loop the base station and the residence handset are both at "specified fixed points". The term usually associated with such use of PCS is: wireless local loop ("WLL").

2. 47 C.F.R. 22.600

The use of radio in the loop for the provision of basic telephone service in rural areas is currently identified as a fixed service in two distinct portions of the the FCC rules: the Public Land Mobile Service and the Domestic Public Cellular Radio Telecommunications Service, See 47 C.F.R. 22.600 and 22.930, In fact, the cellular rule cited above states explicitly "The only fixed service permitted under this section is Basic Exchange Telecommunications Radio Service."

If the Commission intended that their PCS rules parallel the fixed use restrictions contained in the cellular rules then section 99.3 should allow BETRS-type wireless local loop applications.

BETRS, is an extension of, and an economic alternative to, the wire-based infrastructure of telephone companies. Its purpose is to lower the cost of loops and therefore drive down the overall average cost of telephone service. Historically, BETRS has helped to hold down local telephone rates, and ensure universal services at affordable rates.

Furthermore, due to inadequate spectrum availability and the relatively low cost of the competitive copper wire, BETRS use is confined to rural areas where the loop distances are long or copper plant is impractical.

Allowing service providers to use PCS spectrum for BETRS applications will go a long way toward solving the BETRS spectrum problem. Furthermore, allowing PCS licensees to provide BETRS will further the policy goals of improving the quality of rural

telecommunications while reducing the need for subsidies to support rural local loop service.

The Commission's apparent restriction on the use of PCS for fixed service to include BETRS is either a mistake, an oversight or a misinterpretation. The use of PCS spectrum to permit telephone companies (and competitors) to provide radio loops in place of copper supports the principle of universal service and is the underlying basis for the proposition that PCS would, in the long term, provide competition for the wired loop monopoly.

The goal of increasing competition in the local loop in urban as well as rural areas will be achieved only if the Commission acts now to permit the authorization of BETRS on PCS spectrum for rural areas. When PCS equipment achieves cost goals that are truly competitive with the copper loop, BETRS and other applications not yet developed will aid the long term goal of increased competition in the urban local loop.

Unfortunately, permitting BETRS service in PCS is only half of the problem. The FCC must insure that rural telcos have access to PCS licenses for that purpose. In most rural areas where BETRS is a viable alternative to copper wire, full mobile PCS is not viable because of the low population density. A similar situation exists today in cellular radio service. The cellular RSAs are much larger than any rural telcos service area and where BETRS is needed, the low density of population mitigates against building out cellular. The larger RSA licenses are too large for the smaller sparse BETRS applications and naturally cellular RSA

build-outs gravitate toward greater population and or vehicular use locations -- neither of which are locations where BETRS would be viable or needed.

Similarly, the size of MTA/BTA licensed areas discourages rural telephone companies from acquiring the larger license to support a small telephone service area within the larger PCS MTAs and BTAs. However, allowing sub-licensing would allow small telcos to provide PCS in their franchised telephone service territories. This would advance the twin policies of diversity of ownership and rapid development of wireless in rural areas.

The FCC could permit the use of PCS for BETRS wireless local loop applications by allowing the major PCS licensees to partition their license grants and sub-license an entities to develop these rural systems. Without such a rule change, rural areas may be excluded from the PCS wireless revolution because the small rural telcos that could bring wireless to rural areas wouldn't be inclined to participate in the larger licensing auctions just to provide mobile PCS to these sparse regions. However, being able to to also provide BETRS facilities would make wireless more attractive in these rural areas.

If the rules permitted the small telephone company to acquire, from the larger entity (the MTA/BTA licensee), a sub-license for their telephone serving territory, the cost of purchasing such a sub-license would be orders of magnitude lower than either participation in a consortium or bidding, as a rural telephone company, for a C band BTA license. The sub-license would

permit the rural telephone company to participate in PCS in the area it knows best (its franchised service area) with the customers it knows best (its local telephone subscribers).

III. CONCLUSION

The Commission can send a positive message to rural America that advanced radio technology will be used to aid in providing affordable telephone service in rural areas.

To achieve these goals, the FCC need make only two minor changes to their current PCS rules: (1) Authorize BETRS as a fixed service in the PCS rules. In effect, mirror the rules applicable to cellular radio service (47 C.F.R 22.930); and, (2) Permit the post-auction partitioning and sub-licensing of MTA/BTA license areas to allow rural telephone companies (and others) to gain access to PCS spectrum for rural areas.

Respectfully submitted,

InterDigital Comm. Corp.

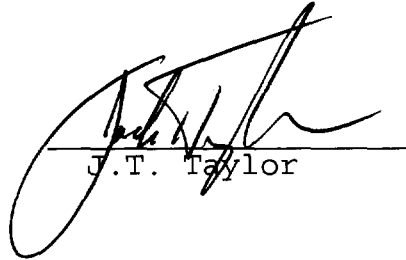
By: 

Jack Taylor, Esq.

9215 Rancho Drive
Elk Grove, CA 95624
916/685-6240

CERTIFICATE OF SERVICE

I, J.T. Taylor, hereby certify that a copy of the foregoing Opposition Comments of InterDigital Communications Corp. were mailed first-class United States mail, postage prepaid, this 31st day of December, 1993 to the parties listed on the attached service list.



J.T. Taylor

David L. Nace
ALLIANCE OF RURAL AREA TEL.
& CELLULAR SVC. PROVIDERS
Lukas, McGowan, Nace & Gutierrez,
Chartered
1819 H Street, N.W., 7th Floor
Washington, D.C. 20006

George Y. Wheeler
TELEPHONE & DATA SYSTEMS, INC.
1150 Connecticut Avenue, N.W.
Suite 1000
Washington, D.C. 20036

David Cosson, Esq.
L. Marie Guillory, Esq.
NATIONAL TELEPHONE COOPERATIVE ASSOC.
2626 Pennsylvania Avenue, N.W.
Washington, D.C. 20037

Lisa M. Zaina
General Counsel
OPASTCO
21 Dupont Circle, N.W.
Suite 700
Washington, D.C. 20036

James D. Ellis
SOUTHWESTERN BELL CORPORATION
175 E. Houston, R. 1218
San Antonio, TX 78205

Stuart F. Feldstein
Fleischman and Walsh
1400 Sixteenth Street, N.W.
Washington, D.C. 20036

Thomas Gutierrez
COLUMBIA CELLULAR CORPORATION
Lukas, McGowan, Nace
& Gutierrez, Chartered
1819 H Street, N.W., 7th Floor
Washington, D.C. 20006

Ronald L. Plessner
PCS ACTION INC.
Piper & Marbury
1200 Nineteenth Street, N.W.
Washington, D. C. 20036

R. Phillip Baker
Executive Vice President
CHICKASAW TELEPHONE COMPANY
Box 460
Sulphur, OK 73086

Robert L. Doyle
President and Chief Executive Officer
Roseville Telephone Company
P.O. Box 969
Roseville, CA 95678

Stephen G. Kraskin
Sylvia Lesse
U.S. INTELCO NETWORKS, INC.
Kraskin & Associates
2120 L Street, N.W., Ste. 810
Washington, D.C. 20037

Scott K. Morris
Vice President - Law
McCAW CELLULAR COMMUNICATIONS, INC.
5400 Carillon Point
Kirkland, WA 98033

Timothy E. Welch
MEBTel, INC.
Hill & Welch
1330 New Hampshire Ave., N.W.
Suite #113
Washington, D.C. 20036

Stephen G. Kraskin
Caressa D. Bennet
RURAL CELLULAR ASSOCIATION
Kraskin & Associates
2120 L Street, N.W. Ste. 810
Washington, D.C. 20037

Paul J. Berman
Alane C. Weixel
ANCHORAGE TELEPHONE UTILITY
Covington & Burling
1201 Pennsylvania Ave., N.W.
P.O. Box 7566
Washington, D.C. 20044-7566

James U. Troup
Laura Montgomery
Arter & Hadden
IOWA NETWORK SERVICES, INC.
1801 K Street, N.W., Ste. 400K
Washington, D.C. 20006

William B. Barfield
Jim O. Llewellyn
BELLSOUTH CORPORATION
1155 Peachtree Street, N.E.
Atlanta, Georgia 30367-6000

Leonard J. Kennedy
COMCAST
Dow, Lohnes & Albertson
1255 23rd Street, N.W.
Washington, D.C. 20037

Michael F. Altschul
CELLULAR TELECOMMUNICATIONS INDUSTRY
ASSOCIATION
Two Lafayette Centre, Third Floor
1133 21st Street, N.W.
Washington, D.C. 20036

Jay C. Keithley
SPRINT CORPORATION
1850 M Street, N.W.
Suite 1100
Washington, D.C.

Gail Polivy
GTE SERVICE CORPORATION
1850 M Street, N.W.
Suite 1200
Washington, D.C. 20036

Gary M. Epstein
BELL ATLANTIC PERSONAL
COMMUNICATIONS, INC.
Latham & Watkins
1001 Pennsylvania Ave. N.W.
Suite 1300
Washington, D.C. 20004-2505

Michael D. Kennedy
Director, Regulatory Relations
MOTOROLA, INC.
1350 I Street, N.W.
Suite 400
Washington, D.C. 20005

Thomas A. Stroup
TELOCATOR
1019 19th Street
Suite 1100
Washington, D.C. 20036

Stephen L. Goodman
NORTHERN TELECOM INC.
Halprin, Temple & Goodman
1301 K Street, N.W.
Suite 1020, East Tower
Washington, D.C. 20005